

Message Text

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PAGE 01 BUENOS 06633 252227Z
ACTION ARA-14

INFO OCT-01 ISO-00 EA-10 AID-05 SS-15 SP-02 L-03
NSC-05 EB-08 CIAE-00 INR-10 NSAE-00 COME-00
AGRE-00 OMB-01 TRSE-00 OES-09 DOE-15 SOE-02 INT-05
HA-05 PA-01 ICA-11 PM-05 DODE-00 /127 W
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FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 7151

C O N F I D E N T I A L BUENOS AIRES 6633

E.O. 11652: GDS
TAGS: PGOV, ECON, AR, JA
SUBJECT: US-JAPAN ANNUAL CONSULTATION ON LATIN AMERICA

REF: STATE 212939

1. RECENT DISCUSSIONS WITH JAPANESE EMBASSY OFFICERS AND
PRESS REPORTS PRODUCED THE FOLLOWING INFORMATION, WHICH
MAY BE USEFUL FOR UPCOMING CONSULTATIONS:

A) JAPAN HAS A TRADE DEFICIT WITH ARGENTINA, BUYING
\$400 MILLION WORTH OF ARGENTINE EXPORTS, MAINLY GRAINS
AND CATTLE FEED, AND SELLING \$300 MILLION WORTH OF
MAINLY MANUFACTURED PRODUCTS. THE TRADE DEFICIT IS
OF LITTLE CONCERN TO JAPAN BECAUSE OF ITS SIZEABLE WORLDWIDE
SURPLUS. JAPAN IS EAGER TO INCREASE BILATERAL TRADE WITH
ARGENTINA.

B) JAPAN IS WORKING WITH ARGENTINA TO DEVELOP AND
INCREASE SOYBEAN PRODUCTION. US HAS TRADITIONALLY
BEEN JAPAN'S MAJOR SOURCE OF SOYBEANS, BUT JAPAN IS
INTERESTED IN EXPANDING MARKET SOURCES (PARTICULARLY
AFTER US TEMPORARILY STOPPED SOYBEAN SALES TO JAPAN
DURING NIXON ADMINISTRATION). JAPAN WILL CONTINUE TO
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PAGE 02 BUENOS 06633 252227Z

BUY MAJORITY OF SOYBEAN IMPORTS FROM US BECAUSE OF TRADE
IMBALANCE BUT WOULD LIKE TO SEE ARGENTINA AND BRAZIL AS
SOURCES FOR ANOTHER 10 TO 20 PERCENT OF HER SOYBEAN NEEDS.

C) JAPAN HAS SEVERAL BILATERAL TECHNICAL ASSISTANCE
PROGRAMS WITH ARGENTINA, INCLUDING IN THE FIELDS OF
MEDICINES AND RAILWAY EQUIPMENT. JAPAN IS PROVIDING

FINANCING AND TECHNICAL ASSISTANCE FOR ARGENTINE
MODERNIZATION AND ELECTRIFICATION OF URBAN PASSENGER
TRAIN SERVICE GENERAL ROCA LINE.

D) JAPANESE EMBASSY SOURCES INDICATE THAT THE
JAPANESE EMBASSY HAS BEEN APPROACHED BY CERTAIN
ARGENTINE INDUSTRIAL FIRMS REGARDING THE SALE OF
PARTS AND MATERIALS FOR THE ARGENTINE NUCLEAR
PROGRAM, POSSIBLY IN CONNECTION WITH THE HEAVY
WATER PILOT PLANT WHICH IS NOW UNDERGOING BIDS.
JAPAN IS NOT IN A POSITION TO SELL NUCLEAR POWER
EQUIPMENT OR TECHNOLOGY PER SE WITHOUT THE APPROVAL
OF THE US, AS ITS NUCLEAR PROGRAM IS ALMOST ALL
US-ORIGIN AND SUBJECT TO US RESTRICTIONS. HOWEVER,
PARTS AND MATERIALS FOR CONSTRUCTION PURPOSES COULD
BE UNDER CONSIDERATION. JAPAN, BY LAW, CANNOT SELL
CONVENTIONAL ARMAMENTS ABROAD.

E) PRESS ACCOUNTS HAVE INDICATED THAT JAPAN MAY
BID ON GENERATORS AND TURBINES FOR THE YACYRETA
HYDROELECTRIC POWER PROJECT. (IT APPEARS A
RUSSIAN-GERMAN-ITALIAN CONSORTIUM HAS THE INSIDE TRACK ON
THAT DEAL, NOW THAT THE US' ALLIS-CHALMERS BID HAS BEEN
EFFECTIVELY TAKEN OUT OF THE RUNNING BY EXIM BANK'S POST-
PONEMENT OF FINANCING GUARANTEES FOR HUMAN RIGHTS REASONS.)

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PAGE 03 BUENOS 06633 252227Z

F) JAPAN WON A ONE YEAR AGREEMENT FOR "EXPERIMENTAL FISHING"
IN ARGENTINE WATERS IN EXCHANGE FOR FINANCING AN ARGENTINE
RESEARCH VESSEL. A DELEGATION OF JAPANESE FISHING
BUSINESSMEN, HEADED BY ZENKO SUZUKI, FORMER FISHING MINISTER
AND CURRENT MEMBER OF THE JAPANESE CHAMBER OF DEPUTIES,
ARRIVED IN ARGENTINA AUGUST 21 WITH THE AIM OF INCREASING
JAPANESE FISHING ACTIVITIES IN ARGENTINA.

G) JAPAN IS PLAYING A SIGNIFICANT ROLE IN THE MODERNIZATION
OF THE STATE STEEL COMPANY SOMISA, BY SUPPLYING HEAVY EQUIPMENT
AND FINANCING.

H) ON THE POLITICAL SIDE, A JAPANESE REMARKED THAT JAPAN
DOES NOT HAVE THE LUXURY OF CAMPAIGNING FOR HUMAN RIGHTS BY
CRITICIZING OTHER COUNTRIES, AS IT IS GEOGRAPHICALLY AND
STRATEGICALLY SURROUNDED BY HOSTILE AND TOTALITARIAN STATES.
THE US HUMAN RIGHTS CAMPAIGN IS LOGICALLY TAKEN TO MEAN THAT
THE US OBJECTIVE IS THE ESTABLISHMENT OF DEMOCRATIC REGIMES
THROUGHOUT THE WORLD. NOT ALL COUNTRIES CAN ASPIRE TO THAT
GOAL AT THIS TIME, PARTICULARLY ASIA. ARGENTINA IS A
FACTION-RIDDEN, HETEROGENOUS SOCIETY WHERE AN EARLY RETURN
TO DEMOCRACY IS NOT LIKELY TO FLOURISH.

2. POINTS RAISED ABOVE HAVE COME OUT OF INFORMAL PRIVATE CONVERSATIONS WITH JAPANESE DIPLOMATIC COLLEAGUES AND PRESS ACCOUNTS AND ARE MEAN FOR BACKGROUND PURPOSES. THEY SHOULD NOT NECESSARILY BE TAKEN AS OFFICIAL JAPANESE POSITIONS ON THE VARIOUS ISSUES.
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